



Department of Justice

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JAPANESE MANUFACTURER OF MAGNETIC IRON OXIDE PARTICLES AND THREE OF ITS EXECUTIVES INDICTED IN PRICE-FIXING CONSPIRACY

WASHINGTON, D.C.--A federal grand jury in Philadelphia today indicted a Japanese manufacturer of magnetic iron oxide (MIO) particles and three of its executives for conspiring to fix prices and allocate customers for the sale of MIO particles in the United States and elsewhere from 1991 to 1998, announced the Department of Justice.

MIO particles form a powder that is used to coat polyester film base in the manufacture of video and audio tapes. The MIO particles give the tapes their magnetic quality to pick up sound and images. Sales of MIO particles in the United States during the conspiracy period were in excess of \$200 million.

According to a one-count felony indictment, filed in U.S. District Court in Philadelphia, Ishihara Sangyo Kaisha Ltd. (ISK Japan), of Osaka, Japan, and three of its executives -- Takashi Akizawa, president during the charged period; Atuso Kinoshita, Senior Managing Director and also Chairman of its U.S. subsidiary, ISK Magnetics Inc. (previously located in Bethlehem, Pennsylvania); and Yoshiaki Tsujimura, Deputy General Manager -- along with co-conspirators, formed and carried out the conspiracy to fix prices and allocate customer for sale of MIO particles by:

- meeting to discuss the price of MIO particles;
- agreeing to charge prices at specified levels;
- agreeing to allocate customers among the conspirators;
- implementing agreed-upon prices; and

- issuing price announcements and price quotations in accordance with agreements reached.

"Today's case is another example of the Division's commitment to pursue companies and individuals that harm American businesses and consumers," said Charles A. James, Assistant Attorney General in charge of the Antitrust Division.

In May 1999, ISK Magnetics' former president, William L. Girvin, pleaded guilty to participation in the conspiracy to fix prices and allocate customers for MIO particles.

ISK Japan and its executives are charged with violating Section 1 of the Sherman Act which carries a maximum fine of \$10 million for a corporation, and three years imprisonment and a \$350,000 fine for individuals. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

The investigation of the MIO particles business is being conducted by the Antitrust Division's New York Office and the New Jersey Office of the Federal Bureau of Investigation.

Anyone with information concerning collusion in the MIO particles business should contact the Antitrust Division's New York Office at (212) 264-0665, or the New Jersey Office of the Federal Bureau of Investigation at (973) 684-4428.

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